

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11
	:
	: Case No. 0544481 (RDD)
Delphi Corporation, <u>et al.</u>,	:
	: (Jointly Administered)
Debtors.	:
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**FINAL ORDER AUTHORIZING THE EMPLOYMENT AND
RETENTION OF MESIROW FINANCIAL CONSULTING, LLC AS
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS *NUNC PRO TUNC* TO OCTOBER 19, 2005**

The matter having come before the Court on the application (the “Application”) of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the Chapter 11 cases of Delphi Corporation (“Delphi”) and certain of its subsidiaries, debtors and debtors-in-possession in the above-captioned Chapter 11 cases (collectively the “Debtors”)¹, for entry of an order, pursuant to sections 328, 1103(a) and 1103(b) of the United States Bankruptcy

¹ In addition to Delphi, the following entities are debtors in these related cases: ASEC Manufacturing General Partnership, ASEC Sales General Partnership, Aspire, Inc., Delco Electronics Overseas Corporation, Delphi Automotive Systems (Holding), Inc., Delphi Automotive Systems Global (Holding), Inc., Delphi Automotive Systems Human Resources LLC, Delphi Automotive Systems International, Inc., Delphi Automotive Systems Korea, Inc., Delphi Automotive Systems LLC, Delphi Automotive Systems Overseas Corporation, Delphi Automotive Systems Risk Management Corp., Delphi Automotive Systems Services LLC, Delphi Automotive Systems Tennessee, Inc., Delphi Automotive Systems Thailand, Inc., Delphi China LLC, Delphi Connection Systems, Delphi Diesel Systems Corp., Delphi Electronics (Holding) LLC, Delphi Foreign Sales Corporation, Delphi Integrated Service Solutions, Inc., Delphi International Holdings Corp., Delphi International Services, Inc., Delphi Liquidation Holding Company, Delphi LLC, Delphi Mechatronic Systems, Inc., Delphi Medical Systems Colorado Corporation, Delphi Medical Systems Corporation, Delphi Medical Systems Texas Corporation, Delphi NY Holdings Corporation, Delphi Services Holding Corporation, Delphi Technologies, Inc., DREAL, Inc., Environmental Catalysts, LLC, Exhaust Systems Corporation, Packard Hughes Interconnect Company, Specialty Electronics, Inc., and Specialty Electronics International Ltd.

Code, 11 U.S.C. §§ 101-1330, as amended (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2014-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Bankruptcy Rules”), authorizing the employment and retention of Mesirow Financial Consulting, LLC as financial advisors to the Committee *nunc pro tunc* to October 19, 2005; and upon the Affidavit of Larry Lattig (the “Lattig Affidavit”); and the Court being satisfied, based upon the representations made in the Application and the Lattig Affidavit, that such financial advisors represent no interest adverse to the Debtors’ estates or their creditors with respect to the matters upon which they are to be engaged, that they are disinterested persons as that term is defined under section 101(14) of the Bankruptcy Code, and that their employment is necessary and in the best interests of the Debtors’ estates and their creditors; and it appearing that proper and adequate notice has been given and that no other or further notice is necessary; and after due deliberation thereon, and good and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is granted; and it is further

ORDERED that, pursuant to sections 328, 1103(a) and 1103(b) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016, and Local Bankruptcy Rule 2014-1, the Committee is hereby authorized to employ Mesirow Financial Consulting, LLC as its financial advisors, *nunc pro tunc* to October 19, 2005, to perform the services set forth in the Application; and it is further

ORDERED that if any supplemental affidavits or declarations are filed and served after the entry of this Order, absent any objections filed within twenty (20) days after the filing and service of such supplemental declarations, Mesirow Financial Consulting, LLC's employment shall continue as authorized pursuant to this Order; and it is further

ORDERED that all compensation and reimbursement of expenses to be paid to Mesirow Financial Consulting, LLC shall be subject to prior approval of this Court in accordance with the requirements under Sections 328, 330 and 331 of the Bankruptcy Code, such Bankruptcy Rules and Local Bankruptcy Rules as may then be applicable from time to time and any order of this Court establishing procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED that the Debtors and their estates shall indemnify, defend and hold harmless Mesirow Financial Consulting, LLC from and against any all liabilities suffered by or asserted against Mesirow Financial Consulting, LLC in connection with or in any way related to Mesirow Financial Consulting, LLC's engagement by the Committee, provided, however, that in no event shall Mesirow Financial Consulting, LLC be indemnified in the case of its own willful misconduct, gross negligence, bad faith, self-dealing or breach of fiduciary duty (if any); and it is further

ORDERED that all requests of Mesirow Financial Consulting, LLC for payment of indemnity pursuant to the terms of this Order shall be made by means of an application (interim or final as the case may be) and shall be subject to

review by the Court to ensure that payment of such indemnity conforms to the terms set forth herein and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought; and it is further

ORDERED that in no event shall Mesirow Financial Consulting, LLC be indemnified if the Committee or a representative of the Committee asserts a claim for, and a court determines by final order that such claim arose out of Mesirow Financial Consulting, LLC's own willful misconduct, gross negligence, bad faith, self-dealing or breach of fiduciary duty (if any); and it is further

ORDERED that in the event Mesirow Financial Consulting, LLC seeks reimbursement for attorneys' fees from the Debtors' estates pursuant to the terms of the indemnification as approved by this Order, which shall be permitted the invoices and supporting time records from such attorneys shall be included in Mesirow Financial Consulting, LLC's own applications (both interim and final), and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of sections 330 and 331 of the Bankruptcy Code without regard to whether such attorney has been retained under any provision of the Bankruptcy Code and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code; and it is further

ORDERED that within five (5) days of the entry of this Order, the Committee shall serve a copy of this Order on the Office of the United States Trustee, the Debtors and their counsel, counsel for the agent under the Debtors'

prepetition credit facility, counsel for the agent Debtors' proposed postpetition credit facility, those parties on the Master Service List, as defined by the Case Management Order and those parties identified "2002 List Parties," as defined by the Case Management Order; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order; and it is further

ORDERED that the requirement pursuant to Local Rule 9013-1(b) that the Committee file a memorandum of law in support of the Application is hereby waived.

Dated: January 6, 2006

New York, New York

/S/ ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

NO OBJECTION:

DEIRDRE A. MARTINI
UNITED STATES TRUSTEE

By: /s/ Alicia M. Leonhard
Alicia M. Leonhard